RESEARCH HIGHLIGHT

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HOUSEHOLD INCOME, NET WORTH AND HOUSING AFFORDABILITY IN CANADA

INTRODUCTION

In 1999, Statistics Canada administered the Survey of Financial Security (SFS) to assess the financial health of Canadians for the first time since 1984.[1] The survey gathered data on what Canadians earn, own and owe, and included housing cost questions sponsored by Canada Mortgage and Housing Corporation. Based on these 1999 data, this Highlight provides an overview of net worth in Canada and explores the relationship between net worth and a number of household characteristics, including age, tenure, income and housing affordability.[2]

OVERVIEW OF NET WORTH

In 1999, 11.6 million Canadian households were worth about $3 trillion (Table 1). At $1 trillion, retirement savings (including pensions, RRSPs and RRIFs) were the single biggest—though not the most commonly held—component of household net worth.[3] Instead, home equity was the most broadly held asset, and also the second largest component of net worth, accounting for 26% or $800 billion of net worth.[4] Considerably further down the list of assets were financial investments (excluding pensions, RRSPs and RRIFs), which totaled about $431 billion and accounted for about 14% of total net worth. They were also held fairly narrowly: only 13% of Canadian households held substantial investment assets totaling at least $50,000 (Table 1). Other assets constituted the remaining 26% of total net worth: they reflect the net value—total value minus any debt—of all other household assets, including household effects, vehicles, secondary properties and businesses.

Table 1: Profile of Net Worth, Canada, 1999

Type of asset	Total value ($ billions)	Share of total net worth (%)	Percentage of households holding asset (%)
Home equity	800	26	64
Retirement savings	1,025	34	38 *
Financial investments	431	14	13 *
Other assets	790	26	
Total	3,045	100	

* Percentage with substantial assets of $50,000 of more.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Households first begin accumulating assets when they buy the necessary household effects for daily life. Many also purchase homes and start to accumulate home equity. In 1999, almost two-thirds (64%) of Canadian households owned their homes. These homeowners held 91% of all net worth (Table 2). By contrast, renters comprised 36% of all households but held only 9% of total household net worth.

[1] CMHC contributed financial support to the development of the SFS as well as feedback regarding its research interests. The latter input included a recommendation by CMHC that Statistics Canada collect the shelter cost data used in this Highlight to explore the relationship between housing affordability and wealth.

[2] The net worth of a household is the value of all its assets minus its debts. Information collected by the SFS on household characteristics and the value of assets and debts are as of the time of data collection (May to July 1999). Income data are for the previous calendar year, that is, for 1998. Dollar figures in this Highlight have not been adjusted to account for inflation in the years since these dates.

[3] All net worth amounts reported in this Highlight include the estimated value of employer pension plan benefits.

[4] Home equity is the value of the principal residence less any outstanding mortgage. The value of any secondary properties owned by household members is included under other assets.

Unevenness in the distribution of net worth among renters and owners can be examined further by setting a minimum value of $50,000 for an asset to be called substantial and then identifying households that hold substantial assets and assessing the amount of net worth they control. In 1999, the vast majority of renters, constituting 30% of all households, had no substantial assets and held just 3% of total net worth. Renters with substantial ($50,000+) levels of net worth comprised just 6% of all households and held 6% of total net worth. In contrast, although 28% of owners had no substantial retirement or investment assets, they still held 16% of net worth. Owners with substantial non-housing assets constituted 35% of all households but controlled 75% of total net worth, with the wealthiest—those holding both substantial retirement and investment assets—making up just 8% of all households but controlling a disproportionate 32% of total net worth (Table 2).

AGE, TENURE, INCOME AND NET WORTH

Households must set aside or save some of their income to accumulate assets. As saving and accumulating assets takes time, net worth tends to increase with age. Income also increases with an earner's age, peaking just before retirement. The result is that generally older and higher-income households have more net worth. Figure 1 shows that young households tend to be renters with no substantial net worth. In 1999, about 83% of households in the under-25 age group rented accommodation.[5] As household maintainers grow older, they become more likely to own. Once they reach middle age, in addition to owning homes, they are also likely to have substantial non-housing net worth. In 1999, starting with the age group 35-44, homeowners represented the majority of households.

Table 2: Distribution of Households and Net Worth by Tenure and Asset Profile, Canada, 1999

Tenure and asset type	As % of all households	Share of total net worth (%)
Renters	**36**	**9**
Renters: no substantial Retirement or Investment Assets*	30	3
Renters: with substantial Retirement Assets	4	3
Renters: with substantial Investment Assets	1	1
Renters: with substantial Retirement & Investment Assets	1	2
Owners	**64**	**91**
Owners: no substantial Retirement or Investment Assets**	28	16
Owners: with substantial Retirement Assets	24	38
Owners: with substantial Investment Assets	3	5
Owners: with substantial Retirement & Investment Assets	8	32

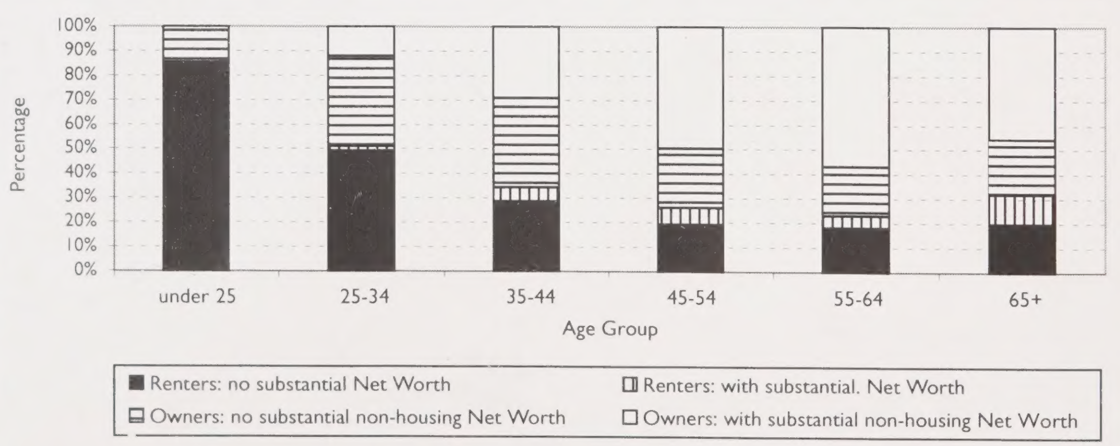
* For an asset to be considered as substantial, it had to have a minimum value of at least $50,000 in the 1999 SFS. The net worth of renter households with no substantial assets was held mainly in the form of household effects, vehicles and—for some—businesses. In this study, these assets are all grouped into a residual category of other assets. Although other assets are not shown as a separate category in the table, they are taken into account in determining the proportion of net worth held by households.

** The net worth of these owner households was comprised of their home equity, non-substantial levels of non-housing assets and, in addition, household effects, vehicles, and even businesses or secondary properties. The latter are considered as other assets in this study and, though they are not shown as a separate category in the table, they are taken into account in the computation of net worth held.

For details about the determination of household tenure, see the Definitions at the end of this Highlight.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Figure 1: Tenure and Asset Profile of Households by Age Group, Canada, 1999



iS ubstantial" means at least $50,000 of Net Worth.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

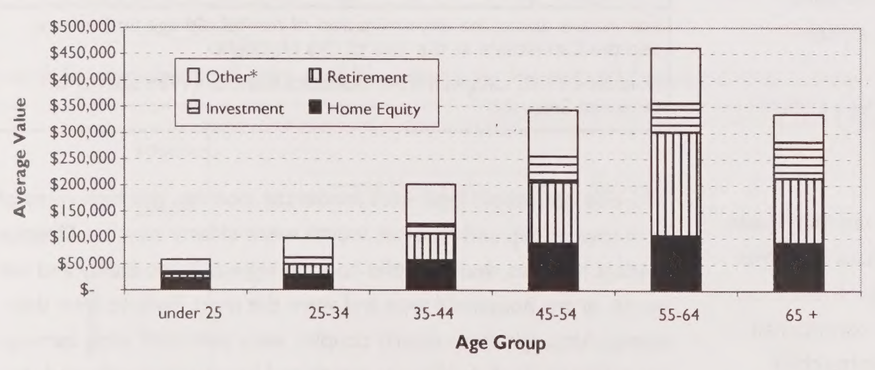
[5] For details on the determination of household tenure and age, see the Definitions at the end of this Highlight. Households are generally grouped by the age of the person with the highest income in the household.

Figure 2: Average Household Incomes by Tenure and Age Group, Canada, 1999

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

While aging provides the time necessary to accumulate assets, income provides the resources necessary for saving. Figure 2 illustrates how average incomes rose for all households until age group 45-54 and then fell thereafter.[6] However, it also exposes major differences in the income data reported to the SFS by owners and renters. First, renters 45-54 reported incomes very little higher than their younger confreres aged 25-34. In contrast, owners 45-54 reported incomes substantially higher than younger owners, 25-34. In addition to older owners enjoying much higher incomes than younger owners, owners had higher average incomes than renters in each age group. At their peak, average incomes for owners in the age group 45-54 were approximately double those of renters in the same age group.

Figure 3: Average Assets by Type and Age Group, Canada, 1999



* "Other" includes vehicles, household effects, cottages and business equity.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Figure 3 illustrates how the value of different types of assets varied by age group in 1999. It shows that young households accumulated other assets as they acquired household effects, and that home equity was the second asset type that households with maintainers less than 25 years of age began to accumulate.[7] The value of retirement assets rose through age 64 before declining at older ages, while investment assets grew even in retirement. Continuing increases in other assets through middle age up to age 64 reflected rising values of secondary properties, businesses and household effects.

Because assets are unevenly distributed, average net worth is typically much higher than median net worth.[8] Significant differences between the average and median values of net worth for all asset types arise because a few high net worth households push up average values. In 1999, average net worth for all households was over twice the median (Table 3). In the case of renters, differences were even more pronounced, with the median amounting to less than a quarter of the average (Table 4).

Wealth generally accumulates over time and is drawn down during retirement. In 1999, the net worth of households peaked between the ages of 55 and 64 and dropped in later years. Although the net worth of owners followed this pattern, the peak net worth for renters occurred later at ages 65 or over. In fact, senior renters were noticeably wealthier than other renters. The high wealth of senior renters compared to other renters likely reflected shifting from owning to renting by some relatively affluent households as they aged. In 1999, 76% of households with maintainers aged 55 to 64 owned their homes compared to 68% of senior households.[9]

[6] Appendix Table 3 presents median and average household incomes by age group and tenure.

[7] As noted earlier, the value of other assets represents the net amount—total value minus any debt—of all assets other than home equity, retirement savings and investments. They include household effects, vehicles, secondary properties and business equity.

[8] The median is the middle of a distribution: half of households are above the median and half are below it. The median is less sensitive than the average to extreme values and is therefore a better representation of typical values, especially when distributions are skewed by very large values, as is the case with net worth.

[9] Note that these figures describe the ownership rates of two different groups of households as of a single date. They do not track what happened to a single group of households as they aged; nonetheless, the lower rate of ownership for seniors implies a net shift by aging households out of owned homes and into rental units. Other data sources, such as the Census, also show senior households having somewhat lower rates of homeownership than households with maintainers between the ages of 55 and 64.

Table 3: Home Equity and Net Worth by Age Group, All Households and Homeowners, Canada, 1999

	All households				Homeowners			
	Median		Average		Median		Average	
Age group	Home equity ($)	Net worth ($)	Home equity ($)	Net Worth ($)	Home equity ($)	Net worth ($)	Home equity ($)	Net worth ($)
Under 25	0	6,000	22,000	58,000	75,000	137,000	129,000	293,000
25-34	0	41,000	28,000	98,000	35,000	94,000	58,000	162,000
35-44	30,000	107,000	57,000	202,000	60,000	162,000	88,000	276,000
45-54	60,000	198,000	90,000	344,000	95,000	285,000	122,000	438,000
55-64	80,000	283,000	104,000	462,000	100,000	421,000	137,000	582,000
65 +	74,000	216,000	91,000	337,000	110,000	306,000	134,000	439,000
All ages	**35,000**	**124,000**	**69,000**	**263,000**	**80,000**	**226,000**	**109,000**	**377,000**

For details about the determination of household age and tenure, see the Definitions at the end of this Highlight.
Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

In 1999, the median net worth of renters was just $14,000 compared to $226,000 for homeowners (Tables 3 and 4).[10] Because owners are generally older than renters, their assets have had more time to appreciate in value. Even within age groups, however, the net worth of homeowners in 1999 was consistently higher than that of renters of similar age.[11] In most age groups, the median net worth of homeowners was at least 10 times that of renters.

Large differences in the net worth of owners and renters of similar age probably reflect lifelong income differences. Enabled by their substantially higher incomes (Figure 2), homeowners—in addition to amassing home equity—accumulate far more additional assets than do renters. In 1999, owners had average net worth, excluding home equity, of about $268,000 (the difference between $377,000 of net worth and $109,000 of home equity). This amount was more than four times the average net worth of renters ($64,000), which by definition did not include home equity.

Table 4: Home Equity and Net Worth by Age Group, Renters, Canada, 1999

	Median		Average	
Age group	Home equity ($)	Net worth ($)	Home equity ($)	Net worth ($)
Under 25	0	3,000	0	9,000
25-34	0	10,000	0	40,000
35-44	0	16,000	0	59,000
45-54	0	24,000	0	82,000
55-64	0	24,000	0	84,000
65 +	0	40,000	0	117,000
All ages	0	**14,000**	0	**64,000**

For details about the determination of household age and tenure, see the Definitions at the end of this Highlight.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

HOUSEHOLD TYPE, HOME EQUITY AND NET WORTH

In 1999, households comprising non-elderly unattached individuals, non-elderly lone parents, and elderly unattached individuals had lower incomes than other households (Table 5). The majority rented their homes. Non-elderly unattached individuals and lone parents had relatively little net worth and home equity. Elderly unattached individuals fared slightly better, having had more time to accumulate assets and build equity in their homes. In contrast to unattached individuals and lone parents, non-elderly couples, with or without children, had high incomes, high rates of homeownership, and substantial net worth and equity in their homes.

The one household type with moderate incomes but high rates of homeownership and high net worth were elderly couples. Despite modest incomes, these couples had the highest home equity and net worth of any household type and were the most likely to own their homes. Although these elderly couples were past their peak earnings years (Figure 2), their high net worth and home equity reflected their many years of homeownership and asset accumulation.

[10] Appendix Table 1 brings together net worth data for owners and renters, including details on owners with and without mortgages. Appendix Table 2 does the same for home equity.

[11] The surprisingly high average and median net worth of homeowners under the age of 25 in Table 3 stems from the way households were assigned to age groups. As described in the Definitions at the end of this Highlight, age groups refer, in most cases, to the age of the highest income earner present. In 1999, some households had members (often aged 50 to 64) with substantial assets, including home equity, but limited incomes. Because their children had the highest incomes in the household, these households were assigned to the under-25 age group.

Table 5: Household Incomes, Net Worth, Home Equity and Tenure by Household Type, Canada, 1999

Household type	Number (000s)	Average income* ($)	Percent renting (%)	Average home equity ($)	Average net worth ($)
Non-elderly unattached individuals	2,260	32,000	68	24,000	113,000
Non-elderly couples without children	2,664	69,000	24	91,000	380,000
Non-elderly couples with children	3,111	68,000	23	73,000	257,000
Non-elderly lone parents	588	30,000	62	32,000	96,000
Elderly unattached individuals	1,011	23,000	50	62,000	215,000
Elderly couples without children	929	44,000	16	117,000	452,000
Other family types	862	56,000	29	93,000	293,000
Mixed family types	137	65,000	39	52,000	217,000
Total	**11,564**	**53,000**	**36**	**69,000**	**263,000**

For details about family units, family types, and the determination of household age and tenure, see the Definitions at the end of this Highlight. "Elderly" family units are those with major income earners aged 65 or older. "Elderly" households are those assigned ages of 65 or more based on the logic described in the Definitions.

If there is more than one kind of family unit in the household or if the household includes both elderly and non-elderly family units, it is of "Mixed family types." All other categories include only one type of family unit. For example, the category "Elderly unattached individuals" means a household comprising one or more elderly unattached individuals, while "Non-elderly couples without children" means a household comprising one or more such couples. "Other family types" describes households comprised of related individuals who do not qualify as one of the other family types. These include elderly families living with children or other relatives and non-elderly families in which the major income earner lives with a relative other than a spouse or child under the age of 18.

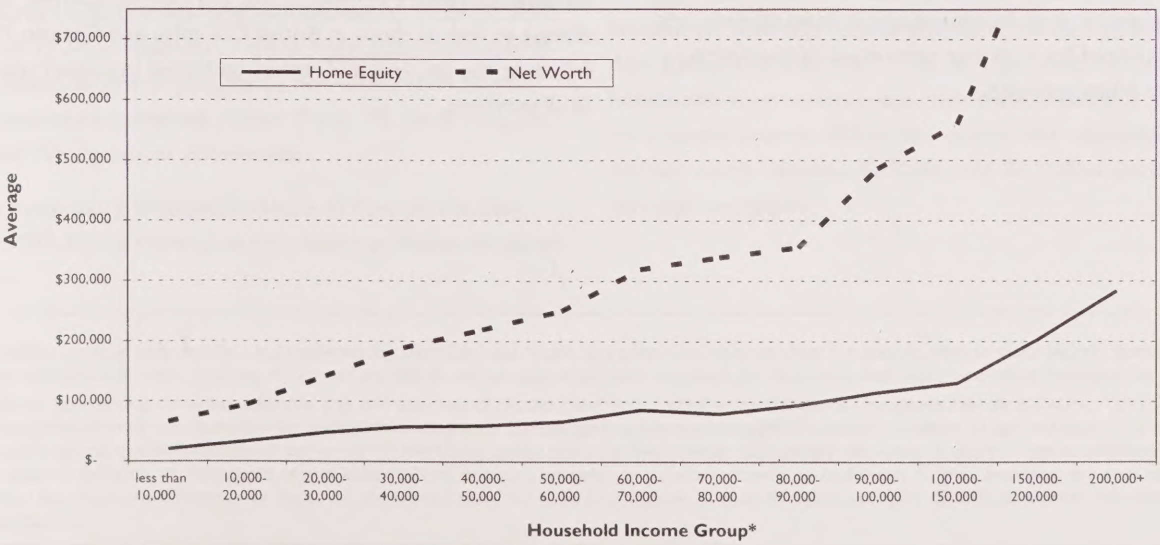
* Income data are for the 1998 calendar year.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

INCOME, NET WORTH AND HOME EQUITY

Figure 4 and Table 6 document how net worth grows with increasing income, showing how in 1999 households with the highest incomes had disproportionately the highest net worth. Table 6 also identifies how the composition of assets changes as income increases. In 1999, home equity made its greatest percentage contribution to asset accumulation and to net worth among Canada's lower-to-middle-income households. In middle-income ranges, retirement assets surpassed the value of home equity. For very affluent households, investments were a major component of net worth, as were other assets, including secondary properties and equity in businesses. As already noted, home equity was not the largest component of net worth but was the most widely held, a significant source of wealth to low- and middle-income households, but also held by almost all high-net-worth households. Clearly, home equity plays a very important role in the building of assets by Canadians.

Figure 4: Average Home Equity and Net Worth by Household Income Group, Canada 1999



* Income groups reflect incomes during the 1998 calendar year.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Table 6: Average Asset Values by Household Income Group, Canada, 1999

Income group*	Number of households (thousands)	Home equity ($)	Retirement ($)	Investment ($)	Other assets ($)	Net worth ($)
Less than $10,000	652	20,000	13,000	13,000	20,000	66,000
$10,000-$20,000	1,680	33,000	20,000	17,000	24,000	94,000
$20,000-$30,000	1,616	48,000	36,000	21,000	37,000	142,000
$30,000-$40,000	1,503	58,000	64,000	24,000	43,000	189,000
$40,000-$50,000	1,332	60,000	81,000	28,000	50,000	219,000
$50,000-$60,000	1,046	66,000	90,000	32,000	62,000	250,000
$60,000-$70,000	905	86,000	108,000	35,000	91,000	320,000
$70,000-$80,000	690	80,000	131,000	38,000	91,000	340,000
$80,000-$90,000	568	94,000	134,000	42,000	86,000	356,000
$90,000-$100,000	430	115,000	178,000	59,000	134,000	486,000
$100,000-$150,000	831	131,000	225,000	85,000	119,000	560,000
$150,000-$200,000	193	202,000	264,000	128,000	274,000	868,000
$200,000 +	117	284,000	394,000	435,000	657,000	1,770,000
Total	**11,564**	**69,000**	**89,000**	**37,000**	**68,000**	**263,000**

For details about the determination of household tenure, see the Definitions at the end of this Highlight.
* Income groups reflect incomes during the 1998 calendar year.
Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

NET WORTH BY PROVINCE AND TENURE

In 1999, median net worth values in provinces from Quebec east were all lower than the values for Ontario and west (Table 7)[12] British Columbia had the highest median net worth followed closely by Ontario, Saskatchewan and Alberta. Three of these provinces—British Columbia, Ontario and Alberta—had relatively high household incomes, housing prices and home equity (see Appendix Tables 5 and 6). By contrast, household incomes, home values and home equity were below average in Saskatchewan, and home equity accounted for a smaller percentage of net worth there than in any other province.

As in Saskatchewan, home equity accounted for relatively little of the net worth of households in Quebec, a reflection, in part at least, of the province's exceptionally low rate of homeownership (see Appendix Table 5). Provinces with relatively low net worth per household, including Quebec, all had below-average household incomes and housing prices.

The median net worth of renters showed a somewhat different distribution across provinces than net worth overall (Table 7). In 1999, the net worth of Newfoundland renters was exceptionally low. By contrast, renters in Nova Scotia and Quebec had net worth almost as high as those in British Columbia and Ontario. Overall, however, the net worth of renters compared to owners was very low in all provinces.

[12] Appendix Table 4 presents median and average net worth by tenure and province.

Table 7: Median Net Worth by Tenure, Canada and Provinces, 1999

Province	Renters ($)	Owned with a mortgage ($)	Owned without a mortgage ($)	All owners ($)	All households ($)
Newfoundland and Labrador	2,000	81,000	102,000	97,000	70,000
Prince Edward Island	9,000	91,000	279,000	168,000	93,000
Nova Scotia	13,000	125,000	211,000	159,000	106,000
New Brunswick	6,000	85,000	191,000	127,000	92,000
Quebec	14,000	127,000	282,000	191,000	89,000
Ontario	15,000	160,000	443,000	266,000	145,000
Manitoba	12,000	124,000	281,000	197,000	117,000
Saskatchewan	11,000	154,000	288,000	212,000	142,000
Alberta	13,000	149,000	337,000	213,000	141,000
British Columbia	15,000	194,000	446,000	289,000	157,000
All provinces	**14,000**	**149,000**	**352,000**	**226,000**	**124,000**

For details about the determination of household tenure, see the Definitions at the end of this Highlight.
Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

NET WORTH AND SHELTER AFFORDABILITY PROBLEMS

CMHC views Canadian households that spend less than 30% of before-tax income on shelter as having affordable housing.[13] In contrast, households that spend 30% or more of before-tax income on shelter and that cannot find suitable, alternative local housing for less than 30% of their before-tax income are identified by CMHC as having housing affordability problems.[14] SFS data show that according to CMHC's definition about 1.6 million or 14% of all households were estimated to have shelter affordability problems in 1999. Moreover, the data demonstrate that, whether measured by average or median values, households with shelter affordability problems tended to have low incomes and low net worth (Table 8).

The vast majority (77%) of households with affordability problems were renters (Table 9). Three-quarters of these were either non-elderly unattached individuals (the largest group), non-elderly lone parents, or elderly unattached individuals (Tables 9 and 10), many living on their own and relying on just one income.

Renters are much more likely than owners to have affordability problems. In 1999, 31% of renters had affordability problems compared to 5% of owners. In fact, roughly half of non-elderly lone parents and elderly unattached individuals who rented had affordability problems (Table 10).

A significant fraction (44%) of owners with affordability problems did not have mortgages (Table 11). Although they spent relatively little on shelter, being mortgage-free, they also had very low incomes (Table 8). As a result, their shelter costs—comprising property taxes, insurance, any condominium fees, and utility payments—amounted to 30% or more of their low incomes. Close to half (45%) of these mortgage-free owners with affordability problems were seniors, and three out of four were aged 55 or older.

Though households with shelter affordability problems are very unlikely to have significant net worth, some do. Estimates from the SFS data collected in 1999 indicate that, of approximately 1.6 million households with affordability problems, 8% had net worth greater than $200,000 (Table 11).[15] Most of these relatively wealthy households were owners, especially owners without mortgages; for example, around 60% of households with affordability problems and net worth between $200,000 and $1 million were owners without mortgages.[16]

[13] For renters, shelter costs include rent and any payments for electricity, fuel, water and other municipal services. For owners, shelter costs include mortgage payments (principal and interest), insurance, property taxes, and any condominium fees, along with payments for electricity, fuel, water and other municipal services.

[14] Suitable dwellings have enough bedrooms for the size and make-up of the household according to the National Occupancy Standard (NOS). The NOS stipulates that a household should have one bedroom for each cohabitating adult couple, each unattached household member 18 years of age and over, each same-sex pair of children under age 18, and each additional boy or girl in the family, unless there are two siblings of opposite sex under 5 years of age, in which case they are expected to share a bedroom. A household of one individual can occupy a bachelor unit (i.e. a unit with no bedroom). CMHC estimates the cost of suitable, alternative local housing in each community based on the median rents for units with a given number of bedrooms. CMHC collects market rent data annually in its Rental Market Survey.

[15] This percentage does not match the sum of percentages for net worth sub-categories of $200,000 or more in Table 11 because percentages presented there are rounded.

[16] Because of small sample sizes and attendant data suppression, it is not possible to provide comparable data for households with net worth above $1 million.

However, much of the net worth of those with affordability problems may not have been easy to access. In 1999, three-quarters of households with shelter affordability problems had less than $10,000 in liquid assets (Table 12).[17] Only 8% of them had $50,000 or more in liquid assets. Seniors accounted for a significant fraction—around 45%—of households with affordability problems and liquid assets of $50,000 or more.[18]

Table 8: Summary Statistics for Households by Shelter Affordability Status and Tenure, Canada, 1999

Summary statistic	With Affordability Problem?	Renters ($)	Owned with a mortgage ($)	Owned without a mortgage ($)	All owners ($)	All households ($)
Average Income*	Total	34,500	68,900	59,800	64,700	54,000
	No	43,200	71,500	62,100	67,100	60,300
	Yes	14,900	21,200	13,400	17,800	15,600
Average Shelter Expenditure	Total	7,400	14,500	4,900	10,000	9,100
	No	7,500	14,600	4,900	10,100	9,300
	Yes	7,200	12,200	5,800	9,400	7,700
Average Home Equity	Total	0	72,000	151,000	109,000	70,000
	No	0	73,000	151,000	109,000	78,000
	Yes	0	62,000	149,000	100,000	23,000
Median Home Equity	Total	0	50,000	124,000	80,000	35,000
	No	0	50,000	125,000	80,000	47,000
	Yes	0	46,000	115,000	74,000	0
Average Net Worth	Total	66,000	251,000	524,000	378,000	267,000
	No	85,000	257,000	534,000	386,000	300,000
	Yes	21,000	146,000	310,000	217,000	65,000
Median Net Worth	Total	15,000	149,000	352,000	228,000	128,000
	No	24,000	152,000	359,000	233,000	156,000
	Yes	4,000	92,000	216,000	141,000	10,000

Households with affordability problems spend 30% or more of before-tax income on shelter and cannot find suitable, alternative local housing for less than 30% of their before-tax income. Households with negative income or shelter expenditures that equal or exceed their income are excluded from this analysis.

For details about the determination of household tenure, see the Definitions at the end of this Highlight.

* Income data are for the 1998 calendar year.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

[17] Liquid assets include Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RRIFs) and investments. They do not include home equity, pensions or other assets.

[18] It is likely that most of these seniors with affordability problems and substantial liquid assets owned their homes, but sample sizes were too small to confirm this hypothesis—at least using the liquid asset dollar ranges in Table 12 and the three tenure categories (rented, owned with mortgages, owned without mortgages) used in the data extraction.

Table 9: Number of Households with Affordability Problems by Household Type and Tenure, Canada, 1999

Household type	Renters (thousands)	Owned with a mortgage (thousands)	Owned without a mortgage (thousands)	All owners (thousands)	All households (thousands)
Non-elderly unattached individuals	484	32	46	78	562
Non-elderly couples without children	80	35	21	56	136
Non-elderly couples with children	147	61	-	67	214
Non-elderly lone parents	186	32	-	38	224
Elderly unattached individuals	241	-	56	67	308
Elderly couples	-	-	-	-	27
Other family types	56	-	-	32	88
Mixed family types	-	-	-	-	-
Total	**1,223**	**201**	**156**	**357**	**1,579**

Households with affordability problems spend 30% or more of before-tax income on shelter and cannot find suitable, alternative local housing for less than 30% of their before-tax income. Households with negative income or shelter expenditures that equal or exceed their income are excluded from this analysis.

For details about family units, family types, and the determination of household age and tenure, see the Definitions at the end of this Highlight. "Elderly" family units are those with major income earners aged 65 or older. "Elderly" households are those assigned ages of 65 or more based on the logic described in the Definitions.

If there is more than one kind of family unit in the household or if the household includes both elderly and non-elderly family units, it is of "Mixed family types." All other categories include only one type of family unit. For example, the category "Elderly unattached individuals" means a household comprising one or more elderly unattached individuals, while "Non-elderly couples without children" means a household comprising one or more such couples. "Other family types" describes households comprised of related individuals who do not qualify as one of the other family types. These include elderly families living with children or other relatives and non-elderly families in which the major income earner lives with a relative other than a spouse or child under the age of 18.

"-" represents very small values that are suppressed due to small sample size. These suppressed values nonetheless contribute to the total values. This is why totals are sometimes larger than the sum of the values displayed.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Table 10: Percent of Households with Affordability Problems by Household Type and Tenure, Canada, 1999

Household type	Renters (%)	Owned with a mortgage (%)	Owned without a mortgage (%)	All owners (%)	All households (%)
Non-elderly unattached individuals	34	7	18	11	27
Non-elderly couples without children	13	3	2	3	5
Non-elderly couples with children	21	3	-	3	7
Non-elderly lone parents	55	21	-	18	41
Elderly unattached individuals	49	-	12	13	31
Elderly couples	-	-	-	-	3
Other family types	23	-	-	5	10
Mixed family types	-	-	-	-	-
Total	**31**	**5**	**5**	**5**	**14**

Households with affordability problems spend 30% or more of before-tax income on shelter and cannot find suitable, alternative local housing for less than 30% of their before-tax income. Households with negative income or shelter expenditures that equal or exceed their income are excluded from this analysis.

For details about family units, family types, and the determination of household age and tenure, see the Definitions at the end of this Highlight. "Elderly" family units are those with major income earners aged 65 or older. "Elderly" households are those assigned ages of 65 or more based on the logic described in the Definitions.

If there is more than one kind of family unit in the household or if the household includes both elderly and non-elderly family units, it is of "Mixed family types." All other categories include only one type of family unit. For example, the category "Elderly unattached individuals" means a household comprising one or more elderly unattached individuals, while "Non-elderly couples without children" means a household comprising one or more such couples. "Other family types" describes households comprised of related individuals who do not qualify as one of the other family types. These include elderly families living with children or other relatives and non-elderly families in which the major income earner lives with a relative other than a spouse or child under the age of 18.

"-" represents very small values that are suppressed due to small sample size. These suppressed values nonetheless contribute to the total values. This is why totals are sometimes larger than the sum of the values displayed.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Table 11: Households with Affordability Problems by Tenure and Net Worth, Canada, 1999

Net worth	Renters (thousands)	Owned with a mortgage (thousands)	Owned without a mortgage (thousands)	All owners (thousands)	All households (thousands)	Percent distribution (%)
Less than or equal to $0	216	-	-	3	219	14
$1-$10,000	571	-	-	5	576	36
$10,000-$25,000	171	17	-	19	190	12
$25,000-$50,000	101	28	-	35	136	9
$50,000-$100,000	94	55	19	74	168	11
$100,000-$200,000	55	54	43	97	152	10
$200,000-$500,000	11	31	61	92	103	7
$500,000-$1,000,000	-	-	18	18*	28	2
$1,000,000-$2,000,000	-	-	-	-	-	0
$2,000,000+	-	-	-	-	-	0
Total	**1,223**	**201**	**156**	**357**	**1,579**	**100**

Households with affordability problems spend 30% or more of before-tax income on shelter and cannot find suitable, alternative local housing for less than 30% of their before-tax income. Households with negative income or shelter expenditures that equal or exceed their income are excluded from this analysis.

For details about the determination of household tenure, see the Definitions at the end of this Highlight.

* Includes only owners without a mortgage. If owners with a mortgage were included, the subtotal for all owners would be larger and would likely account for almost all of the 28,000 households with affordability problems and net worth between $500,000 and $1,000,000.

"-" represents very small values that are suppressed due to small sample size. These suppressed values nonetheless contribute to the total values. This is why totals are sometimes larger than the sum of the values displayed.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Table 12: Households with Affordability Problems by Value of Liquid Assets, Canada, 1999

Liquid assets	Number (thousands)	Percent distribution (%)
Less than or equal to $0	284	18
$1-$10,000	921	58
$10,000-$25,000	137	9
$25,000-$50,000	96	6
$50,000-$100,000	62	4
$100,000-$200,000	49	3
$200,000-$500,000	22	1
$500,000 +	-	0
Total	**1,579**	**100**

Households with affordability problems spend 30% or more of before-tax income on shelter and cannot find suitable, alternative local housing for less than 30% of their before-tax income. Households with negative income or shelter expenditures that equal or exceed their income are excluded from this analysis.

Liquid assets include Registered Retirement Savings Plans (RRSPs), Registered Retirement Income Funds (RRIFs) and investments. They do not include home equity, pensions or other assets.

"-" represents very small values that are suppressed due to small sample size. These suppressed values nonetheless contribute to the total values. This is why totals are sometimes larger than the sum of the values displayed.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

CONCLUSION

As of 1999, Canadian households held $3 trillion in net worth; however, that net worth was far from evenly distributed. Home equity was the most broadly held asset and also the second largest asset category in dollar terms behind retirement savings. The 64% of households who owned their dwellings in 1999 held 91% of total net worth. By contrast, renters, who by definition were without home equity and generally had lower incomes than owners, accounted for 36% of all households but held only 9% of total net worth.

Homeownership plays an important role in the net worth and financial health of Canadians. For households with incomes of under $30,000, home equity represented the single largest component of net worth in 1999. Home equity also comprised a significant share of the net worth of households with higher incomes as well. Almost all high-net-worth households held equity in their homes. Homeowners generally had considerably higher incomes and net worth than renters. The median, or typical, owner had a net worth that was 16 times that of the median renter. The higher incomes of owners allowed them to accumulate not only equity in their homes but also far more other assets than renters.

Renters have lower incomes, lower net worth, lower assets and a much higher incidence of shelter affordability problems than owners. In 1999, three in ten renter households had shelter affordability problems, compared to one in twenty owners. Elderly unattached individuals, non-elderly unattached individuals, and non-elderly lone parents were over-represented among renter households with shelter affordability problems.

Very few households with shelter affordability problems have significant net worth or liquid assets. In 1999, most of those with affordability problems and significant net worth owned their homes, typically without a mortgage.

Definitions

The Survey of Financial Security (SFS) collected information separately from each family unit within a household. Family units comprise either unattached individuals or economic families. Economic families consist of two or more people related to each other by blood, marriage, common law or adoption.

The SFS defined family types based on the relationship of the major income earner to other family members. Where the major income earner was under 65, had no spouse and no child under the age of 18 present, but lived with another relative (including a child 18 years or over), the family fell into the "Other family types" category. Families with a major income earner who was 65 or older and who lived with a child or another relative also qualified as "Other family types." The term "elderly" applies to economic families in which the major income earner was aged 65 or older and to unattached individuals aged 65 or older.

To produce information on the assets and debts of households for this study, data for all the family units in a household had to be combined. Households in which more than one type of family unit was present and households containing both elderly and non-elderly family units were grouped under the "Mixed family types" label.

A small proportion (about 4.4%) of households in the SFS sample included more than one family unit. In about 3.2% of households, the tenure of individual family units within the household differed. In these cases, the household was deemed to own the home if any of the family units owned the dwelling, and if any family unit owned the home without a mortgage, the household was deemed to own without a mortgage.

In households containing one family unit (as defined above), the age assigned to the household was that of the highest income earner in the household. For the remaining households, those with two or more resident family units, the age assigned to the household was that of the highest income earner in a family unit with the same tenure as the household. Elderly households were those assigned ages of 65 or more.

Appendix Table 1: Net Worth by Age Group and Tenure, Canada, 1999

	Renters		Owned with a mortgage		Owned without a mortgage		All owners		All households	
Age group	**Median ($)**	**Average ($)**	**Median ($)**	**Average ($)**	**Median ($)**	**Average ($)**	**Median ($)**	**Average ($)**	**Median ($)**	**Average ($)**
Under 25 years	3,000	9,000	52,000	170,000	243,000	499,000	137,000	293,000	6,000	58,000
25-34 years	10,000	40,000	85,000	134,000	259,000	343,000	94,000	162,000	41,000	98,000
35-44 years	16,000	59,000	140,000	222,000	296,000	458,000	162,000	276,000	107,000	202,000
45-54 years	24,000	82,000	223,000	326,000	387,000	601,000	285,000	438,000	198,000	344,000
55-64 years	24,000	84,000	278,000	405,000	478,000	678,000	421,000	582,000	283,000	462,000
65 years and over	40,000	117,000	242,000	364,000	310,000	447,000	306,000	439,000	216,000	337,000
All ages	**14,000**	**64,000**	**149,000**	**251,000**	**352,000**	**525,000**	**226,000**	**377,000**	**124,000**	**263,000**

For details about the determination of household age and tenure, see the Definitions in this Highlight.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Appendix Table 2: Home Equity by Age Group and Tenure, Canada, 1999

	Renters		Owned with a mortgage		Owned without a mortgage		All owners		All households	
Age group	**Median ($)**	**Average ($)**	**Median ($)**	**Average ($)**	**Median ($)**	**Average ($)**	**Median ($)**	**Average ($)**	**Median ($)**	**Average ($)**
Under 25 years	0	0	30,000	61,000	140,000	242,000	75,000	129,000	0	22,000
25-34 years	0	0	30,000	45,000	110,000	139,000	35,000	58,000	0	28,000
35-44 years	0	0	50,000	68,000	116,000	153,000	60,000	88,000	30,000	57,000
45-54 years	0	0	69,000	93,000	130,000	164,000	95,000	122,000	60,000	90,000
55-64 years	0	0	77,000	93,000	130,000	160,000	100,000	137,000	80,000	104,000
65 years and over	0	0	68,000	89,000	120,000	139,000	110,000	134,000	74,000	91,000
All ages	**0**	**0**	**50,000**	**72,000**	**125,000**	**151,000**	**80,000**	**109,000**	**35,000**	**69,000**

For details about the determination of household age and tenure, see the Definitions in this Highlight.

Home equity is the value of the principal residence less any outstanding mortgage. It does not include the value of any secondary properties owned by household members.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Appendix Table 3: Household Income by Age Group and Tenure, Canada, 1998

Age group	Renters Median ($)	Renters Average ($)	Owned with a mortgage Median ($)	Owned with a mortgage Average ($)	Owned without a mortgage Median ($)	Owned without a mortgage Average ($)	All owners Median ($)	All owners Average ($)	All households Median ($)	All households Average ($)
Under 25 years	17,000	23,000	39,000	42,000	43,000	46,000	41,000	43,000	21,000	27,000
25-34 years	31,000	37,000	58,000	63,000	61,000	69,000	58,000	64,000	44,000	50,000
35-44 years	32,000	39,000	61,000	67,000	61,000	74,000	61,000	69,000	50,000	58,000
45-54 years	33,000	39,000	68,000	77,000	69,000	81,000	68,000	78,000	58,000	68,000
55-64 years	18,000	26,000	54,000	65,000	49,000	63,000	51,000	64,000	44,000	55,000
65 years and over	18,000	23,000	39,000	45,000	31,000	41,000	31,000	41,000	27,000	35,000
All ages	**26,000**	**33,000**	**60,000**	**67,000**	**44,000**	**59,000**	**54,000**	**64,000**	**43,000**	**53,000**

For details about the determination of household age and tenure, see the Definitions in this Highlight.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Appendix Table 4: Net Worth by Tenure, Canada and Provinces, 1999

Province	Renters Median ($)	Renters Average ($)	Owned with a mortgage Median ($)	Owned with a mortgage Average ($)	Owned without a mortgage Median ($)	Owned without a mortgage Average ($)	All owners Median ($)	All owners Average ($)	All households Median ($)	All households Average ($)
Newfoundland and Labrador	2,000	14,000	81,000	150,000	102,000	175,000	97,000	167,000	70,000	129,000
Prince Edward Island	9,000	36,000	91,000	153,000	279,000	429,000	168,000	303,000	93,000	222,000
Nova Scotia	13,000	75,000	125,000	191,000	211,000	299,000	159,000	248,000	106,000	192,000
New Brunswick	6,000	45,000	85,000	151,000	191,000	313,000	127,000	240,000	92,000	189,000
Quebec	14,000	66,000	127,000	211,000	282,000	454,000	191,000	323,000	89,000	214,000
Ontario	15,000	63,000	160,000	269,000	443,000	619,000	266,000	422,000	145,000	291,000
Manitoba	12,000	55,000	124,000	186,000	281,000	416,000	197,000	304,000	117,000	222,000
Saskatchewan	11,000	40,000	154,000	233,000	288,000	410,000	212,000	335,000	142,000	253,000
Alberta	13,000	67,000	149,000	291,000	337,000	509,000	213,000	384,000	141,000	293,000
British Columbia	15,000	75,000	194,000	300,000	446,000	711,000	289,000	473,000	157,000	326,000
Canada	**14,000**	**64,000**	**149,000**	**251,000**	**352,000**	**525,000**	**226,000**	**377,000**	**124,000**	**263,000**

For details about the determination of household tenure, see the Definitions in this Highlight.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Appendix Table 5: Average MLS® Residential Price, Ownership Rates and Home Equity by Tenure, Canada and Provinces, 1999

Province	Average MLS® residential price ($)	Rate of home-ownership (%)	Home equity by tenure: Renters Median ($)	Renters Average ($)	Owned with a mortgage Median ($)	Owned with a mortgage Average ($)	Owned without a mortgage Median ($)	Owned without a mortgage Average ($)	All owners Median ($)	All owners Average ($)	All households Median ($)	All households Average ($)
Newfoundland and Labrador	94,359	75.5	0	0	30,000	41,000	50,000	58,000	43,000	52,000	30,000	40,000
Prince Edward Island	82,138	69.6	0	0	36,000	45,000	80,000	92,000	60,000	71,000	40,000	49,000
Nova Scotia	102,628	67.3	0	0	37,000	46,000	75,000	81,000	56,000	64,000	30,000	43,000
New Brunswick	88,072	74.0	0	0	30,000	41,000	70,000	79,000	55,000	61,000	35,000	45,000
Quebec	107,501	57.5	0	0	40,000	52,000	92,000	112,000	65,000	80,000	20,000	46,000
Ontario	174,049	63.6	0	0	62,000	85,000	160,000	192,000	110,000	132,000	45,000	84,000
Manitoba	86,423	67.1	0	0	34,000	44,000	85,000	90,000	59,000	67,000	30,000	45,000
Saskatchewan	91,396	72.0	0	0	39,000	48,000	62,000	74,000	50,000	63,000	30,000	45,000
Alberta	139,621	71.2	0	0	52,000	68,000	125,000	131,000	80,000	95,000	47,000	67,000
British Columbia	215,283	63.1	0	0	67,000	102,000	193,000	247,000	124,000	163,000	41,000	103,000
Canada	**158,145**	**63.7**	**0**	**0**	**50,000**	**72,000**	**125,000**	**151,000**	**80,000**	**109,000**	**35,000**	**69,000**

MLS® is a registered trademark of the Canadian Real Estate Association.

For details about the determination of household tenure, see the Definitions in this Highlight.

Home equity is the value of the principal residence less any outstanding mortgage. It does not include the value of any secondary properties owned by household members.

Source: Canadian Real Estate Association (MLS®); CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

Appendix Table 6: Household Income by Tenure, Canada and Provinces, 1998

Province	Renters		Owned with a mortgage		Owned without a mortgage		All owners		All households	
	Median ($)	**Average ($)**	**Median ($)**	**Average ($)**	**Median ($)**	**Average ($)**	**Median ($)**	**Average ($)**	**Median ($)**	**Average ($)**
Newfoundland and Labrador	18,000	27,000	49,000	58,000	31,000	39,000	37,000	45,000	33,000	41,000
Prince Edward Island	19,000	28,000	43,000	50,000	41,000	50,000	42,000	50,000	34,000	44,000
Nova Scotia	22,000	30,000	52,000	57,000	33,000	44,000	45,000	50,000	36,000	44,000
New Brunswick	22,000	29,000	47,000	52,000	34,000	44,000	40,000	47,000	35,000	43,000
Quebec	23,000	29,000	54,000	60,000	44,000	60,000	49,000	60,000	37,000	47,000
Ontario	28,000	36,000	66,000	73,000	50,000	68,000	61,000	71,000	48,000	58,000
Manitoba	23,000	30,000	57,000	62,000	40,000	53,000	50,000	57,000	40,000	48,000
Saskatchewan	21,000	26,000	55,000	62,000	34,000	46,000	45,000	52,000	37,000	45,000
Alberta	32,000	37,000	61,000	68,000	48,000	63,000	56,000	66,000	48,000	58,000
British Columbia	28,000	35,000	63,000	71,000	41,000	54,000	55,000	64,000	45,000	53,000
Canada	**26,000**	**33,000**	**60,000**	**67,000**	**44,000**	**59,000**	**54,000**	**64,000**	**43,000**	**53,000**

For details about the determination of household tenure, see the Definitions in this Highlight.

Source: CMHC, adapted from Statistics Canada (1999 Survey of Financial Security)

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